

**STERLING METALS CORP.**  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders of **Sterling Metals Corp.** (the “**Company**”) will be held on **Tuesday, August 2, 2022**, at the hour of 10:00 a.m. (Eastern time), at the office of Irwin Lowy LLP at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon;
2. to elect the directors of the Company;
3. to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the adoption of an omnibus long-term incentive plan of the Company; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 not later than 10:00 a.m. (Eastern time) on Thursday, July 28, 2022 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on Tuesday, June 28, 2022 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

**COVID-19 GUIDANCE**

**In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein and in the accompanying management information circular dated June 28, 2022 of the Company.**

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual and special meeting. Additional information about the Company and its financial statements are also available on the Company’s profile at [www.sedar.com](http://www.sedar.com).

**DATED** this 28<sup>th</sup> day of June, 2022.

**BY ORDER OF THE BOARD**

*“Mathew Wilson” (signed)*

President, Chief Executive Officer and Director

**STERLING METALS CORP.**  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

**MANAGEMENT INFORMATION CIRCULAR**  
**As at June 28, 2022**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (“CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF STERLING METALS CORP.** (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Tuesday, August 2, 2022 at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at the hour of 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the “**Meeting**”) for the purposes set out in the enclosed notice of meeting (the “**Notice**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Company’s proxy solicitation materials (the “**Meeting Materials**”) to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

**COVID-19 GUIDANCE**

**In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein.**

**APPOINTMENT AND REVOCATION OF PROXIES**

A holder of Common Shares who appears on the records maintained by the Company’s registrar and transfer agent as a registered holder of Common Shares (each a “**Registered Shareholder**”) may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder’s behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc. (the “**Transfer Agent**”), not later than 10:00 a.m. (Eastern time) on Thursday, July 28, 2022 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of

proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery:</b>	Computershare Investor Services Inc. 100 University Avenue, 8 <sup>th</sup> Floor, Toronto, Ontario M5J 2Y1
<b>Telephone:</b>	1-866-732-VOTE (8683) Toll Free  You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular)
<b>By Internet:</b>	<a href="http://www.investorvote.com">www.investorvote.com</a>  You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof, to (i) the registered office of the Company, located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

#### **EXERCISE OF DISCRETION BY PROXIES**

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name.** Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the

Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (a “**Clearing Agency**”) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

#### ***Distribution of Meeting Materials to Non-Registered Holders***

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories, those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

#### ***Voting by Non-Registered Holders***

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

*Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a “**VIF**”). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

*Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or

have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

#### ***Voting by Non-Registered Holders at the Meeting***

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of Tuesday, June 28, 2022 (the "**Record Date**"), there were a total of 69,747,883 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out under the heading "*Particulars of Matters to be Acted Upon*" below, no person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the board of directors of the Company (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

#### **1. RECEIPT OF FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

## 2. ELECTION OF DIRECTORS

The Board currently consists of three (3) directors. The following table states the names of the persons nominated by management for election as directors at the Meeting, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Mathew Wilson <sup>(2)</sup> Ontario, Canada  President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of the Company	September 11, 2017	1,175,407 <sup>(4)</sup>	1.68%
Richard Patricio <sup>(2)(3)</sup> Ontario, Canada  Chairman and Director	President and Chief Executive Officer of Mega Uranium Ltd., a mineral resources company	June 29, 2016	350,000	0.50%
Stephen Keith <sup>(2)(3)</sup> Ontario, Canada  Director	Lead Director, Board of Directors Aura Minerals Inc., a mineral resources company	June 29, 2016	90,000	0.13%

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) 1,016,201 Common Shares are held directly and 159,206 Common Shares are held by Centrys Inc., a corporation controlled by Mr. Wilson.

The term of office of each director will be from the date of the annual meeting of the shareholders of the Company at which he is elected until the next annual meeting of the shareholders of the Company, or until his successor is elected or appointed.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, OR HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, OR HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

### *Corporate Cease Trade Orders or Bankruptcies*

No proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a

period of more than 30 consecutive days (collectively an “**Order**”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Personal Bankruptcies***

None of the proposed directors of the Company have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

### ***Penalties and Sanctions***

None of the proposed directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **3. APPOINTMENT OF AUDITORS**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF BAKER TILLY WM LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Baker Tilly WM LLP, Chartered Professional Accountants were first appointed as the auditors of the Company on November 23, 2020.

## **4. APPROVAL OF OMNIBUS LONG-TERM INCENTIVE PLAN**

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the “**LTIP Resolution**”) approving the adoption of an omnibus long term incentive plan (the “**LTIP**”) of the Company.

Any existing options that were granted prior to the effective date of the LTIP pursuant to the existing stock option plan of the Company (the “**Legacy Stock Option Plan**”), which was last approved by the shareholders on August 10, 2021, will continue in accordance with the terms of the Legacy Stock Option Plan. Upon the effective date of the LTIP, however, options shall no longer be granted pursuant to the Legacy Stock Option Plan and shall only be granted pursuant to the LTIP.

On November 24, 2021, the TSX Venture Exchange (the “**TSXV**”) revised its policy on security based compensation to allow for other forms of security based compensation. On June 24, 2022, the Board determined that it was in the best interests of the Company to proceed with the approval of the LTIP to supersede and replace the

Legacy Stock Option Plan. The LTIP was conditionally approved by the TSXV on June 27, 2022, and is subject to confirmation and approval by the shareholders of the Company and satisfying the requirements of the TSXV, including the filing of applicable documentation.

The LTIP provides for a variety of equity-based awards that may be granted, including performance share units (“PSUs”) and restricted share units (“RSUs” and together with PSUs, the “Share Units”) and stock options (“Options” and together with the PSUs and RSUs, “Awards”) to certain directors, officers, employees, consultants and management company employees providing ongoing services to the Company and its affiliates. Each Option represents the right to receive Common Shares and each Share Unit represents the right to receive Common Shares, or the market value of such Common Shares in cash, or a combination of the two, in accordance with the terms of the LTIP.

### **Summary of the Omnibus Long Term Incentive Plans**

The following is a summary of the material terms of the LTIP, which is qualified in its entirety by reference to the text of the LTIP, a copy of which is attached hereto as Appendix “B”.

Under the terms of the LTIP, the Board, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The LTIP provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Common Shares, share split or consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP.

The LTIP is a “rolling” plan which sets the total number of Common Shares reserved and available for grant and issuance pursuant to Awards at an amount not to exceed 10% of the Common Shares at the date of grant, or such other number as may be approved by the TSXV and the shareholders from time to time.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the LTIP and all other share compensation arrangements, including the Legacy Stock Option Plan, will be 10% of the aggregate number of Common Shares issued and outstanding at the date of grant, which represents 6,974,788 Common Shares as of the date hereof. As of the date hereof, there are 6,265,000 stock options outstanding under the Legacy Stock Option Plan, representing approximately 8.98% of the issued and outstanding Common Shares of the Company.

For the purposes of calculating the maximum number of Common Shares reserved for issuance under the LTIP and all other share compensation arrangements, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included. All of the Common Shares covered by the exercised, cancelled or terminated Awards or Common Shares underlying an Award that have been settled in cash will automatically become available Common Shares for the purposes of Awards that may be subsequently granted under the LTIP. As a result, the LTIP is considered an “evergreen” plan.

The maximum number of Common Shares that may be: (i) issued to insiders of the Company within any one-year period; or (ii) issuable to insiders of the Company at any time, in each case, under the LTIP alone, or when combined with all of the Company’s other security-based compensation arrangements, including the Legacy Stock Option Plan, cannot exceed 10% of the aggregate number of Common Shares issued and outstanding at the date of grant determined on a non-diluted basis, unless disinterested shareholder approval is obtained in accordance with the terms of the LTIP.

In addition, unless expressly permitted and accepted by the TSXV, the aggregate number of Common Shares issuable pursuant to Awards together with all other share compensation arrangements to:

- (a) any one eligible participant within any 12-month period, cannot exceed 5% of the issued and outstanding Common Shares issued and outstanding at the date of grant;
- (b) to any one eligible participant that is a Consultant (as defined in the LTIP) within any 12-month period cannot exceed 2% of the issued and outstanding Common Shares issued and outstanding at the date of grant;
- (c) to all Investor Relations Service Providers (as defined in the LTIP) within any 12-month period cannot exceed 2% of the issued and outstanding Common Shares issued and outstanding at the date of grant; and
- (d) to Eligible Charitable Organizations (as defined in the LTIP) shall not exceed 1% of the issued and outstanding Common Shares issued and outstanding at the date of grant.

### *Options*

An Option will be exercisable during a period established by the Board which will commence on the date of the grant and terminate no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the Common Shares on the TSXV on the last trading day before the date such Option is granted. The LTIP provides that the exercise period of an Option will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period that is formally imposed by the Company. In such cases, the extended exercise period will terminate 10 business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted “cashless exercise” or a “net exercise” subject to the procedures set out in the LTIP, including the consent of the Board, where required. This may include a sale of such number of Common Shares as is necessary to raise an amount equal to the aggregate exercise price for the Options being exercised by that eligible participant. The eligible participant may authorize a broker to sell Common Shares on the open market or by means of a short sale and forward the proceeds of such sale to the Company to satisfy the exercise price for the Options, following which the Company will issue the Common Shares underlying the Options exercised. An eligible participant may also elect to surrender Options by delivering a notice of surrender to the Company and electing to receive that number of Common Shares calculated in accordance with the formula set forth in the LTIP.

### *Share Units*

A Share Unit is an RSU or PSU entitling the recipient to acquire Common Shares, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be set out in the eligible participant’s grant agreement. In the event that an Award is granted based on a dollar amount relative to market value, the market value may not be less than the closing market price of the Common Shares on the day immediately preceding the grant of the Award, subject to permitted discounts in accordance with the policies of the TSXV.

Subject to applicable vesting, performance criteria and other conditions set forth in the grant agreement, the Board is entitled to determine whether RSUs and/or PSUs awarded to an eligible participant will entitle such participant to receive Common Shares, the cash equivalent of Common Shares underlying the Award based on the prevailing market value of the Common Shares on the stock exchange on which the Common Shares are then listed, or a combination of the two.

No Share Unit may vest before the date that is one year following the applicable date of grant, provided that this limitation shall not apply in the case of an eligible participant’s death, or in connection with a change of control of

the Company, takeover bid, reverse takeover transaction, or any similar transaction. PSUs will vest upon the achievement of specific performance criteria established by the Board, and any other vesting conditions that may be set forth in the applicable grant agreement. For each award of PSUs, the Board will establish the period in which any performance criteria and other vesting conditions must be met in order for an eligible participant to be entitled to receive Common Shares in exchange for all or a portion of the PSUs held by such participant, provided that such period must not be longer than December 31 of the calendar year which is three years after the calendar year in which such PSU was granted.

In the event that a Share Unit Settlement Date (as defined in the LTIP) falls during a blackout period that is formally imposed by the Company, the Share Unit Settlement Date will be automatically extended to the 10th business day following the last day of the black-out period.

Under the terms of the LTIP, each non-employee director of the Company may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. At all time while the Common Shares are listed on the TSXV, no Investor Relations Service Provider and no Eligible Charitable Organization may receive Share Units.

#### *Termination of Employment*

The following table describes the impact of certain events upon the rights of holders of Options and Share Units under the LTIP, including termination for cause, retirement, resignation, ceasing to be an eligible participant for any reason (other than for cause resignation or death), and death, subject to the terms of an eligible participant's employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Provisions
Termination for cause	Immediate termination of all vested and unvested Options and/or Share Units on the date of termination.
Retirement	All unvested Options and/or Share Units will vest in accordance with their vesting schedules, and all vested Options and/or Share Units held may be exercised until the earlier of the expiry date of such Options and/or Share Units or one year following the date that the holder ceases to be an eligible participant under the LTIP, subject to certain exceptions.
Resignation	All vested Options and/or Share Units will vest on the earlier of the original expiry date and 90 days after resignation, or such longer period as the Board may determine in its sole discretion. All unvested Options and/or Share Units terminate on the effective date of resignation.
Ceasing to be an eligible participant for any reason (other than for "cause", retirement, resignation, death or in connection with a change of control)	In the event a participant ceases to be an eligible participant for any reason (other than for cause, retirement, resignation, death or in connection with a change of control), all unvested Options and/or Share Units may vest subject to pro ration over the applicable vesting or performance period and will expire on the earlier of 90 days after the effective date of termination, or the expiry date of such Option and/or Share Unit.

Death	All unvested Options and/or Share Units immediately vest and expire 180 days after the death of such eligible participant.
Change of Control	resigns for good reason during the 12 month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Options and/or Share Units will immediately vest and may be exercised prior to the earlier of 30 days after such date or the expiry date of such Options and/or Share Units.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, as applicable. If the surviving successor or acquiring entity does not assume the outstanding Awards, or if the Board otherwise determines in its discretion, the Company will give written notice to all participants advising that the LTIP will be terminated effective immediately prior to the change of control and all Awards, as applicable, will be deemed to be vested and, unless otherwise exercised, settle, forfeited or cancelled prior to the termination of the LTIP, will expire or, with respect to the RSUs and PSUs be settled, immediately prior to the termination of the LTIP. In the event of a change of control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the participants; (ii) otherwise modify the terms of the Awards to assist the participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such change of control. If the change of control is not completed within the time specified therein (as the same may be extended), the Awards which vest will be returned by the Company to the participant and, if exercised or settled, as applicable, the Common Shares issued on such exercise or settlement will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Awards will be reinstated.

#### *Termination and Amendments*

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any securities granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and TSXV approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any securities granted under the LTIP at any time without the consent of a participant provided that such amendment: (i) does not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP; (ii) is in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV; and (iii) is subject to shareholder approval, where required by law, the requirements of the TSXV or the LTIP, provided however that shareholder approval will not be required for the following amendments and the Board may make any changes which may include but are not limited to: (i) amendments which are of a typographical, grammatical, clerical nature only; and (ii) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions;

The Board and management of the company recommend the approval of the adoption of the LTIP. To be effective, the LTIP Resolution must be approved by not less than a majority of the votes cast by the disinterested holders of Common Shares present in person or represented by proxy at the Meeting.

The Board is authorized, in its sole discretion, to determine not to proceed with the adoption of the LTIP after the Meeting and after receipt of necessary shareholder and regulatory approvals, without further action on the part of the shareholders. The adoption of the LTIP by the Company is also conditional upon the Company obtaining all necessary regulatory consents.

The text of the LTIP Resolution to be submitted to shareholders at the Meeting is set forth below:

**“BE IT RESOLVED THAT:**

1. the adoption of the omnibus long term incentive plan (the “**LTIP**”) as described in the Circular dated June 28, 2022, is hereby approved, ratified and confirmed;
2. the maximum number of Common Shares which may be issued under the LTIP and all other Security Based Compensation Arrangements (as defined in the LTIP) of the Company shall not exceed 10% of the total number of Common Shares issued and outstanding on the date of grant on a non-diluted basis;
3. all unallocated options, rights and entitlements under the LTIP, be and are hereby authorized and approved;
4. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby authorized and empowered to revoke this resolution at any time before it is acted upon and to determine not to proceed with the adoption of the LTIP without further approval of the shareholders of the Company;
5. the LTIP may be amended by the directors of the Company in order to satisfy the requests of any regulatory authorities or the TSX Venture Exchange without further approval of the shareholders of the Company, unless approval of the shareholders of the Company is required by the regulatory authorities or the TSX Venture Exchange; and
6. any director or officer of the Company be, and such director or officer of the Company hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of the foregoing resolution.”

**THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE LTIP RESOLUTION. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE LTIP RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST THE LTIP RESOLUTION.**

**STATEMENT OF EXECUTIVE COMPENSATION**

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2021 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2021 (collectively the “**Named Executive Officers**”) and for the directors of the Company.

**Summary Compensation Table**

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Mathew Wilson <sup>(2)</sup> President, Chief Executive Officer and Director	2021	180,000	50,000	nil	nil	nil	230,000
	2020	120,000	20,000	nil	nil	nil	140,000
Dennis Logan <sup>(3)</sup> Chief Financial Officer	2021	84,000	nil	nil	nil	nil	84,000
	2020	60,000	10,000	nil	nil	nil	70,000
Richard Patricio Chairman and Director	2021	16,000	nil	nil	nil	nil	16,000
	2020	nil	nil	nil	nil	nil	nil
Stephen Keith Director	2021	16,000	nil	nil	nil	nil	16,000
	2020	nil	nil	nil	nil	nil	nil

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) None of the compensation paid to Mr. Wilson was paid for being a director of the Company. The fees are paid to Creason Inc., a company controlled by Mr. Wilson, in accordance with the consulting agreement of Mr. Wilson as described under the heading "Employment, Consulting and Management Agreements".
- (3) The fees are paid to 9703373 Canada Inc., a company controlled by Mr. Logan, in accordance with the consulting agreement of Mr. Logan as described under the heading "Employment, Consulting and Management Agreements".

### Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each Named Executive Officer and to each director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on the date immediately prior to the date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Mathew Wilson President, Chief Executive Officer and Director	Stock Options <sup>(1)</sup>	250,000 exercisable for 250,000 Common Shares representing 0.52% of the outstanding number of Common Shares	April 16, 2021	0.52	0.425	0.305	April 16, 2023
Dennis Logan Chief Financial Officer	Stock Options <sup>(1)</sup>	50,000 exercisable for 50,000 Common Shares representing 0.10% of the outstanding number of Common Shares	April 16, 2021	0.52	0.425	0.305	April 16, 2023

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on the date immediately prior to the date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Richard Patricio Chairman and Director	Stock Options <sup>(1)</sup>	100,000 exercisable for 100,000 Common Shares representing 1.67% of the outstanding number of Common Shares	April 16, 2021	0.52	0.425	0.305	April 16, 2023
Stephen Keith Director	Stock Options <sup>(1)</sup>	50,000 exercisable for 50,000 Common Shares representing 0.10% of the outstanding number of Common Shares	April 16, 2021	0.52	0.425	0.305	April 16, 2023

Notes:

- (1) *The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited consolidated financial statements of the Company and included the following assumptions: share price \$0.425, dividend yield 0.0%, expected volatility 423.12% (based on the historical price history of the Common Shares), risk-free interest rate 0.29% and an expected life of 2 years.*
- (2) *Calculated on a partially diluted basis as at December 31, 2021.*
- (3) *As at December 31, 2021, Mr. Wilson held 1,525,000 stock options exercisable to purchase 1,525,000 Common Shares.*
- (4) *As at December 31, 2021, Mr. Logan held 430,000 stock options exercisable to purchase 430,000 Common Shares.*
- (5) *As at December 31, 2021, Mr. Patricio held 650,000 stock options exercisable to purchase 650,000 Common Shares.*
- (6) *As at December 31, 2021, Mr. Keith held 250,000 stock options exercisable to purchase 250,000 Common Shares.*

No compensation securities were exercised by any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company.

### Stock Option Plan and other Incentive Plans

#### LTIP

The Company adopted the LTIP on June 24, 2022, which is to be approved by the shareholders at the Meeting. As a result, no stock options, RSUs or DSUs are able to be granted under the Legacy Stock Option Plan. For further details on the LTIP please refer to “*Particulars of Matters to be Acted Upon – Approval of Omnibus Long-Term Incentive Plan*”.

#### Legacy Stock Option Plan

The Company has in place the Legacy Stock Option Plan which was last approved by the shareholders of the Company on August 10, 2021. The purpose of the Legacy Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Legacy Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of Common Shares which may be reserved for issue under the Legacy Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 6,974,788 stock options may be reserved for issue pursuant to the Legacy Stock Option Plan, 6,265,000 stock options have been issued and are outstanding and 724,788 Awards are still available for issue.

Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Legacy Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares at the time of grant. Stock options granted under the Legacy Stock Option Plan may be exercised during a period not exceeding 10 years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The Legacy Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Legacy Stock Option Plan or may terminate the Legacy Stock Option Plan at any time. The Legacy Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted under the Legacy Stock Option Plan.

The Company has no equity compensation plans other than as described in this Circular.

#### **Employment, Consulting and Management Agreements**

The Company has in place the following employment, consulting or management agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers:

##### ***Mathew Wilson, President, Chief Executive Officer and Director***

The Company entered into a consulting agreement with Creason Inc., a company controlled by Mr. Wilson, for his services as the President and Chief Executive Officer of the Company on August 1, 2017 (the "**Creason Consulting Agreement**"). Pursuant to the Creason Consulting Agreement, Mr. Wilson receives remuneration in the amount of \$10,000 per month. On January 1, 2021, the Company entered into a revised consulting agreement with Creason Inc. (the "**Revised Creason Consulting Agreement**"). Pursuant to the Revised Creason Consulting Agreement, Mr. Wilson receives remuneration in the amount of \$15,000 per month. On March 1, 2022, Mr. Wilson's remuneration was increased to \$19,166.67 per month. ("**Wilson Base Remuneration**"). The Creason Consulting Agreement is automatically renewed, subject to termination. The Company may terminate the Creason Consulting Agreement (i) at any time for just cause, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of termination; or (ii) upon 60 days written notice, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of notice of termination and an additional amount equal to twelve-months of the Wilson Base Remuneration. Mr. Wilson may terminate the Creason Consulting Agreement upon 60 days written notice, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of notice of termination.

##### ***Dennis Logan, Chief Financial Officer***

The Company entered into a consulting services agreement with 9703373 Canada Inc., a company controlled by Mr. Logan, for his services as the Chief Financial Officer of the Company on September 1, 2017, as amended (the "**9703373 Consulting Agreement**"). Pursuant to the 9703373 Consulting Agreement, Mr. Logan received remuneration in the amount of \$7,000 per month. As of January 1, 2020, due to market conditions, Mr. Logan's remuneration was reduced to \$5,000 per month for the 12 months ended December 31, 2020. As of January 1, 2021, Mr. Logan's remuneration reverted back to \$7,000 per month. The 9703373 Consulting Agreement is automatically

renewed on a monthly basis, continues from year to year and may be terminated by the Company or Mr. Logan with 30 days written notice.

There are no employment agreements in place with any of the directors of the Company.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation of Directors***

The Board has adopted a charter for its Compensation Committee which sets out its mandate and purpose, as well as its duties and responsibilities. Currently, the function of the Compensation Committee is carried on by the Board.

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Amended Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

### ***Compensation of Named Executive Officers***

#### *Principles of Executive Compensation*

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

#### *Base Salary*

Base salary compensates executives for fulfilling their roles and responsibilities within the organization and aims to retain such executives. The Board determines the amount of base salaries for each of the Named Executive Officers, taking into consideration the recommendation of the Chief Executive Officer, the individual's performance and

contributions to the success of the Company, competitive industry pay practices for comparable positions and internal equities among positions. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the individual relative to such factors.

#### Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value. Award opportunities vary based on the individual's position and contributions to the performance of the Company. Annual incentive compensation is tied to corporate and individual performance. The determination of corporate and personal performance and final bonus payouts is based on a subjective assessment of such performance and requires considerable discretion.

#### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

#### Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Amended Stock Option Plan.

#### **Pension Disclosure**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

#### **Termination and Change of Control Benefits**

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with a Named Executive Officer or a director of the Company resulting from the resignation, retirement or the termination of employment of such person.

### **SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS**

#### **Equity Compensation Plan Information**

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2021 pursuant to the Stock Option Plan. As at December 31, 2021, the Company did not adopt any security compensation plans other than the Stock Option Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders <sup>(1)</sup>	4,140,000	0.56	4,140,000
Equity compensation plans not approved by securityholders	nil	n/a	n/a
<b>Total</b>	<b>4,140,000</b>	<b>0.56</b>	<b>4,140,000</b>

Note:

(1) *The Legacy Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Legacy Stock Option Plan will not exceed 10% of the outstanding Common Shares at the time of the stock option grant. As at the date hereof, 6,974,788 stock options may be reserved for issue pursuant to the Legacy Stock Option Plan, 6,265,000 stock options have been issued and are outstanding and 724,788 Awards are still available for issue for issue under the LTIP.*

#### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

#### AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting. The Company is a “venture issuer” for the purposes of NI 52-110.

#### Audit Committee Charter

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix A (the “**Charter**”).

#### Composition of the Audit Committee

The Audit Committee members are currently Mathew Wilson, Richard Patricio and Stephen Keith, each of whom is a director and financially literate. Messrs. Patricio and Keith are deemed to be “independent” for the purposes of NI 52-110, while Mr. Wilson, President and Chief Executive Officer of the Company, is not considered to be “independent” for the purposes of NI 52-110.

## Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

***Mathew Wilson, President, Chief Executive Officer and Director*** – Mr. Wilson is an active investor and executive consultant. Mr. Wilson was previously a Principal at Pinetree Capital Ltd. (“**Pinetree**”), a diversified investment fund focused primarily on the small cap mining sector. Mr. Wilson has previously acted as the chief financial officer for several private venture capital companies and as a director for public TSX Venture Exchange listed companies. Mr. Wilson holds a Masters in Finance from Queens University and is a CFA Charterholder.

***Richard Patricio, Chairman and Director*** – Mr. Patricio is the President and Chief Executive Officer of Mega Uranium Ltd., having previously been its Executive Vice President from 2005 to 2015. Until April 2016, Mr. Patricio was also the Chief Executive Officer of Pinetree Capital Ltd., having joined initially in November 2005 as Vice President, Corporate and Legal Affairs. Mr. Patricio was previously general counsel for a senior TSX-listed manufacturing company and prior to that, Mr. Patricio practiced law at Osler LLP in Toronto where he focused on mergers and acquisitions and general corporate transactions. Mr. Patricio has built a number of mining and technology companies with global operations and holds or has held senior officer and director positions in several companies listed on stock exchanges in Toronto, Australia, London and New York. Mr. Patricio received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

***Stephen Keith, Director – Stephen Keith, Director*** – Mr. Keith is Lead Director and Chair of the Audit Committee on the Board of Directors of Aura Minerals Inc. (ORA:T) and is the Chief Executive Officer of Labrador Uranium Inc. (LUR:CSE). Prior to this, Mr. Keith was President and Chief Executive Officer of GrowMax Resources Corp., and has held the positions of Managing Director, Fertoz Ltd.; President and Chief Executive Officer of Search Minerals Inc.; and, founder, President and Chief Executive Officer of Rio Verde Minerals Development Corp., a company he took from concept to listing onto the Toronto Stock Exchange, with over \$30 million completed in equity financings. Mr. Keith led Rio Verde until its acquisition by B&A Fertilizers Limited in March 2013. As an engineer, Mr. Keith has worked with mining and energy companies on projects through feasibility study, engineering design, project management and construction. In finance and investment banking, he has engaged in over C\$2 billion in financing and merger and acquisition deals for natural resource projects. He holds a BSc, Applied Science (Queen's University), an International MBA (York University, Schulich School of Business) and a Professional Engineer in Ontario (Active) and British Columbia (Retired).

## Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Reliance on Exemptions in NI 52-110

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

## Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2021 and December 31, 2020:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2021	40,000	nil	nil	nil
Year ended December 31, 2020	40,000	nil	nil	nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

## REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. In 2006 the Company adopted a Corporate Governance Policies and Procedures Manual and the Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

### Board of Directors

The Board is currently composed of three directors. At the Meeting it is proposed that three directors be elected. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* (“**Form 58-101F2**”) requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a “material relationship” with the issuer. Accordingly, of the proposed director nominees, Mr. Mathew Wilson, the President and Chief Executive Officer of the Company is considered not to be “independent”. The remaining two proposed nominees are considered by the Board to be “independent”, within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### Directorships

The following table sets forth the directors, and proposed directors, of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Richard Patricio	Mindset Pharma Inc., Sixty Six Capital Inc., NexGen Energy Ltd., ISOEnergy Inc., Labrador Uranium Inc., Toro Energy Limited

Name of Director	Reporting Issuer
Stephen Keith	Aura Minerals Inc., Labrador Uranium Inc.

### **Orientation and Continuing Education**

To provide orientation to new directors regarding the role of the Board and its committees, the Board provides copies of its mandate, committee charters, policies and other relevant corporate documents. To orient new directors on the nature and operation of the Company's business, the Board provides new directors with copies of the most recent public filings of the Company. New directors also meet with the Chief Executive Officer to review in detail the business of the Company. With respect to continuing education, the Board has no formal continuing education program. From time to time, the Chief Executive Officer meets with directors to update them on issues relating to the business and, in between Board meetings, the Chief Executive Officer also provides updates to the directors regarding the Company's business to ensure that the directors maintain the knowledge regarding the Company and its industry necessary for them to meet their obligations as directors. Directors are individually responsible for updating their skills necessary to meet their obligations as directors. Several directors have either public company experience or experience on other boards of directors.

### **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code of Ethics**") that applies to all directors, officers and employees of the Company and its subsidiaries, as well as those companies that provide administrative, accounting or other services to the Company in respect of their dealings with the Company. A copy of the Code of Ethics was filed by the Company on SEDAR on June 12, 2006 and is available on SEDAR under the profile of the Company at [www.sedar.com](http://www.sedar.com). The Board is responsible for monitoring compliance with the Code of Ethics. To facilitate the Board's monitoring of compliance, the Code of Ethics requires all employees to promptly report any problems or concerns and any actual or potential violations to their manager or to the Chairperson of the Audit Committee. The Code of Ethics also provides for confidential reporting of violations by employees to the Audit Committee, directly or via the Chief Financial Officer and establishes a channel for direct or confidential reporting of any violations by officers and directors who become aware of any violation.

### **Nomination of Directors**

At present, the Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, in identifying new candidates for Board nomination, the Board considers a mix of competencies and skills in different areas, such as business, mineral exploration and development and other areas which could be useful in guiding management of the Company.

### **Diversity of the Board and Senior Management**

As a federal distributing corporation, incorporated under the *Canada Business Corporations Act*, the Company is required to disclose information annually to its shareholders and Corporations Canada on the diversity of its Board and senior management on the representation of women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada) (the "**Designated Groups**"). The information below is provided as of May 20, 2022.

#### ***Diversity of the Board and Senior Management***

The Company has not adopted a formal written policy regarding the diversity of the Board or senior management. The Company does not believe a formal policy would increase the representation of Designated Groups beyond how

the Company currently nominates and appoints individuals to the Board and senior management. The Company considers all qualified individuals for each position that may arise.

While the Company believes that nominations to the Board and appointments to senior management should be based on merit, the Company recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of members of the Designated Groups is one factor taken into consideration during the search process for directors and members of the senior management.

In assessing potential directors and members of the senior management, the Company focuses on the skills, expertise, experience and independence which the Company requires to be effective. Due to the small size of the Board and the management team, and the stage of development of the Company's business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Company will include diversity (including the level of representation of members of Designated Groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

#### ***Director Term Limits and Other Mechanism of Board Renewal***

The Company has not adopted term restrictions for directors or other mechanism of Board renewal that would limit the time an individual could serve on the Board. Imposing a term limit would require the Company to remove an individual that has acquired an extensive knowledge and understanding of the operations of the Company. Accordingly, the Company believes that removing an individual solely on length of service would not benefit the shareholders of the Company. Each member of the Board is put forth, for election or re-election, to shareholders annually.

#### ***Quotas or Targets for Representation of Designated Groups on the Board and among Senior Management***

The Company has not established quotas or targets for representation of individuals from the Designated Groups to the Board or senior management. The Company believes that focusing on a quota or target rather than on skills and experience would limit the Company's ability to provide shareholders with a Board or senior management that meets the qualifications and needs of the Company and its shareholders.

#### ***Representation of Designated Groups among Board and Senior Management***

As of the date hereof, there are no members of a Designated Group that hold a position on the Board or among senior management.

#### **Other Board Committees**

In addition to the Audit Committee, the Company has established a Compensation Committee.

#### **Assessments**

At present, the Board is responsible for assessing the effectiveness of the Board, its committees and individual directors. The Board is sufficiently small to permit all directors to have input on matters on a regular basis and to informally assess the performance of the Board throughout the year.

### **OTHER MATTERS**

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company in order to request copies of copies of: (i) this Circular; and (ii) the Company's financial statements and the related management's discussion and analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's financial statements and MD&A for the financial year of the Company ended December 31, 2021.

## **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** this 28<sup>th</sup> day of June, 2022.

## **BY ORDER OF THE BOARD**

*"Mathew Wilson" (signed)*  
President, Chief Executive Officer and Director

## APPENDIX A

### STERLING METALS CORP.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### 1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Sterling Metals Corp. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the Company’s auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

##### 2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

##### 3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each whom is a director of the Company and a majority of whom are not employees, Control Persons or officers of the Company or any of its Associates or Affiliates, as such terms are defined in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual. Each Committee member must be “independent” and “financially literate” as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 48 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee may conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee may also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's

financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of generally accepted accounting principles ("GAAP"), not just acceptability of GAAP;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policies to ensure completeness and acceptability with GAAP as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;

- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**10. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

**APPENDIX B**  
**STERLING METALS CORP.**  
**OMNIBUS LONG TERM INCENTIVE PLAN**  
(please see attached)

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**STERLING METALS CORP.**

**OMNIBUS LONG-TERM INCENTIVE PLAN**

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**JUNE 24, 2022**

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**STERLING METALS CORP.  
OMNIBUS LONG-TERM INCENTIVE PLAN**

Sterling Metals Corp. (the “**Corporation**”) hereby establishes this Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation’s long-term results.

**ARTICLE 1 - DEFINITIONS**

**Section 1.1 Definitions.**

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Affiliates**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

“**Awards**” means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan, and for greater certainty includes Dividend Share Units (as defined in Section 5.2);

“**Award Agreement**” means an Option Agreement, RSU Agreement, PSU Agreement, or an Employment Agreement, as the context requires;

“**Black-Out Period**” means the period of time required by applicable law or as imposed by the Corporation as a result of the *bona fide* existence of undisclosed Material Information (as such term is defined in TSXV Policy 1.1) when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by Insiders or other specified persons;

“**Board**” means the board of directors of the Corporation as constituted from time to time;

“**Broker**” has the meaning ascribed thereto in Section 7.4(2) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, or Vancouver, British Columbia, Canada for the transaction of banking business;

“**Cancellation**” has the meaning ascribed thereto in Section 2.5(1) hereof;

“**Cash Equivalent**” means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 7.4, on the Share Unit Settlement Date;

“**Change of Control**” means unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than 50% of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, on the effective date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

**“Code of Ethics”** means any code of ethics adopted by the Corporation, as modified from time to time;

**“Consultant”** has the meaning given to such term in TSXV Policy 4.4, as amended, supplemented or replaced from time to time;

**“Corporation”** means Sterling Metals Corp., a corporation existing under the *Canada Business Corporations Act*, as amended from time to time;

**“Discounted Market Price”** has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

**“Dividend Share Units”** has the meaning ascribed thereto in Section 5.2 hereof;

**“Eligible Charitable Organizations”** has the meaning given to such term in TSXV Policy 4.4, as amended supplemented or replaced from time to time;

**“Eligible Participants”** has the meaning ascribed thereto in Section 2.4(1) hereof;

**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

**“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

**“Exercise Price”** has the meaning ascribed thereto in Section 3.2(1) hereof;

**“Expiry Date”** has the meaning ascribed thereto in Section 3.4 hereof;

**“Insider”** has the meaning attributed thereto in the TSX Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

**“Investor Relations Activities”** has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

**“Investor Relations Service Providers”** has the meaning given to such term in TSXV Policy 4.4, as amended supplemented or replaced from time to time;

**“Management Company Employee”** has the meaning given to such term in TSXV Policy 4.4, as amended supplemented or replaced from time to time;

**“Market Value”** means at any date when the market value of Shares of the Corporation is to be determined, the five-day volume weighted average trading price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed but being no less than the Discounted Market Price, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

**“Non-Employee Directors”** means members of the Board who, at the time of execution of an Award Agreement, if applicable, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, Consultants or service providers providing ongoing services to the Corporation or its Affiliates;

**“Option”** means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof;

**“Option Agreement”** means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A”, or such other form as the Board may approve from time to time;

**“Participants”** means Eligible Participants that are granted Awards under the Plan;

**“Participant’s Account”** means an account maintained to reflect each Participant’s participation in RSUs and/or PSUs under the Plan;

**“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

**“Performance Period”** means the period determined by the Board pursuant to Section 4.4 hereof;

**“Person”** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**“Plan”** means this Omnibus Long-Term Incentive Plan, as amended and restated from time to time;

**“PSU”** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**“PSU Agreement”** means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix “C”, or such other form as the Board may approve from time to time;

**“Restriction Period”** means the period determined by the Board pursuant to Section 4.3 hereof;

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix “B”, or such other form as the Board may approve from time to time;

**“Securities for Services”** has the meaning given to such term in TSXV Policy 4.4, as amended, supplemented or replaced from time to time;

**“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan, deferred share unit, performance share unit, restricted share unit, stock appreciation right, long-term incentive plan, Securities for Services, any security purchase from treasury by a Participant which is financially assisted by the Corporation by any means whatsoever and any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more Participants. For greater certainty, a **“Share Compensation Arrangement”** does not include (a) arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation; (b) arrangements under which Security Based Compensation is settled solely in cash and/or securities purchased on the secondary market; and (c) Shares for Services and Shares for Debt arrangements under TSXV Policy 4.3 that have been conditionally accepted by the TSXV prior to November 24, 2021;

**“Shares”** means the common shares in the capital of the Corporation;

**“Share Unit”** means a RSU or PSU, as the context requires;

**“Share Unit Settlement Date”** has the meaning determined in Section 4.6(1)(a);

**“Share Unit Settlement Notice”** means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;

**“Share Unit Vesting Determination Date”** has the meaning described thereto in Section 4.5 hereof;

**“Stock Exchange”** means the TSXV or the TSX, as applicable from time to time;

**“Subsidiary”** means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

**“Successor Corporation”** has the meaning ascribed thereto in Section 6.1(3) hereof;

**“Surrender”** has the meaning ascribed thereto in Section 3.6(3);

**“Surrender Notice”** has the meaning ascribed thereto in Section 3.6(3);

**“Tax Act”** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

**“Termination Date”** means the date on which a Participant ceases to be an Eligible Participant;

**“Trading Day”** means any day on which the Stock Exchange is opened for trading;

**“TSX”** means the Toronto Stock Exchange;

**“TSXV”** means the TSX Venture Exchange;

**“TSXV Policy”** means the TSXV Corporate Finance Policies;

**“United States”** means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

**“U.S. Participant”** means any Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code;

**“U.S. Securities Act”** means the U.S. Securities Act of 1933, as amended; and

**“VWAP”** means the volume weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option. Where appropriate, the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

## **ARTICLE 2 - PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **Section 2.1 Purpose of the Plan.**

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation’s ability to attract, retain and motivate Eligible Participants.

### **Section 2.2 Implementation and Administration of the Plan.**

- (1) Subject to Section 2.3, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.

- (4) The day-to-day administration of the Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.
- (5) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

### **Section 2.3 Delegation to Committee.**

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

### **Section 2.4 Eligible Participants.**

- (1) The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the bona fide directors, officers, senior executives, Consultants, Management Company Employees, Eligible Charitable Organizations and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates. For Awards granted to employees, consultants or management company employees, the Issuer and the Participant shall be responsible for ensuring and confirming that such person is a bona fide employee, consultant or management company, as the case may be. Notwithstanding the foregoing, Investor Relations Service Providers and Eligible Charitable Organizations shall not be included as Eligible Participants entitled to receive Share Units related to RSU Agreements or PSU Agreements and may only receive Options.
- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s relationship, employment or appointment with the Corporation.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.

### **Section 2.5 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan and any other Share Compensation Arrangement of the Corporation shall not exceed 10% of the total issued and outstanding Shares at the time of grant (on a non-diluted basis) or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time, provided that at all times when the Corporation is listed on the TSXV, the shareholder approval referred to herein must be obtained on a “**disinterested**” basis in the circumstances prescribed by TSXV Policy 4.4. For the purposes of this Section 2.5(1), in the event that, subject to the prior approval of the Stock Exchange, if applicable, the Corporation cancels or purchases to cancel any of its issued and outstanding Shares (“**Cancellation**”) and as a result of such Cancellation the Corporation exceeds the limit set out in this Section 2.5(1), no approval of the Corporation’s shareholders will be required for the issuance of Shares on the exercise of any Options which were granted prior to such Cancellation.

- (2) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, or Shares underlying an Award that have been settled in cash, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares.

## **Section 2.6 Participation Limits.**

Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders (as a group) under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders (as a group) at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed 10% of the total issued and outstanding Shares at the time of grant, unless disinterested shareholder approval is obtained. For greater certainty, for the purposes of the limitations set forth in this Section 2.6, any Awards granted to an Insider prior to it becoming an Insider, shall be considered an Award granted to an Insider irrespective of the fact that such person was not an Insider at the date of grant.

## **Section 2.7 Additional TSXV Limits.**

- (1) Unless expressly permitted and accepted for filing by the TSXV under Part 6 of TSXV Policy 4.4, in addition to the requirements in Section 2.5 and Section 2.6, subject to Section 4.2(6) and Section 4.2(7), and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
- (a) the aggregate number of Shares that are issuable pursuant to Awards granted under this Plan together with all of the Corporation's other previously established or proposed Share Compensation Arrangements to any one Eligible Participant within any 12-month period shall not exceed 5% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to an Eligible Participant pursuant to this Plan;
  - (b) the aggregate number of Shares that are issuable pursuant to Awards granted under this Plan together with all of the Corporation's other previously established or proposed Share Compensation Arrangement to any one Eligible Participant that is a Consultant of the Corporation within any 12-month period shall not exceed 2% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to a Consultant pursuant to this Plan;
  - (c) the aggregate number of Shares that are issuable pursuant to Options granted under this Plan to all Investor Relations Service Providers within any 12-month period shall not exceed 2% of the issued and outstanding Shares, calculated as at the date any Option is granted to an Investor Relations Service Provider pursuant to this Plan;
  - (d) Options granted to Investor Relations Service Providers shall vest in a period of not less than 12 months from the date of grant of Options, such that:

- (i) no more than 1/4 of Options vest before the date that is three months after the Options were granted;
  - (ii) no more than another 1/4 of Options vest before the date that is six months after Options were granted;
  - (iii) no more than 1/4 of Options vest before the date that is nine months after the Options were granted;
  - (iv) the remainder of the Options do not vest before the date that is 12 months after Options were granted.
- (e) the aggregate number of Shares that are issuable pursuant to Options granted under this Plan to Eligible Charitable Organizations shall not exceed 1% of the issued and outstanding Shares, calculated as at the date any Option is granted to an Eligible Charitable Organization pursuant to this Plan; and
- (f) Options granted to Eligible Charitable Organizations must expire before the earlier of: (i) the date that is 10 years from the date of grant; and (ii) the 90th day following the date that such Participant ceases to be an Eligible Charitable Organization.
- (2) In the event of a “cashless exercise” or Surrender, as described below, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Corporation, shall be included in calculating the limitations set forth in Section 2.5, Section 2.6 and this Section 2.7
- (3) At all times when the Corporation is listed on the TSXV, the Corporation shall seek annual TSXV and shareholder approval for the “rolling” components of this Plan in conformity with TSXV Policy 4.4. For greater certainty, disinterested shareholder approval will be required in the circumstances prescribed by Section 5.3 of TSXV Policy 4.4.

## **ARTICLE 3 - OPTIONS**

### **Section 3.1 Nature of Options.**

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

### **Section 3.2 Option Awards.**

- (1) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Exercise Price**”), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.

- (2) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, the Corporation shall maintain timely disclosure and file appropriate documentation in connection with Option grants made under this Plan in accordance with TSXV Policy 4.4.

### **Section 3.3 Exercise Price.**

The Exercise Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant and in any event shall not be less than the Discounted Market Price.

### **Section 3.4 Expiry Date; Blackout Period.**

Subject to Section 6.2, each Option must be exercised no later than 10 years after the date the Option is granted or such shorter period as set out in the Participant's Option Agreement, at which time such Option will expire (the "**Expiry Date**"). Notwithstanding any other provision of this Plan, each Option that would expire during a Black-Out Period formally imposed by the Corporation shall expire on the date that is 10 Business Days immediately following the expiration of the Black-Out Period; provided that, in the event that the Participant or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities, such extension will not be permitted.

### **Section 3.5 Exercise of Options.**

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with cash, a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.

- (2) Pursuant to the Exercise Notice and subject to the approval of the Board, a Participant may choose to undertake a “cashless exercise” with the assistance of a broker in order to facilitate the exercise of such Participant’s Options. The “cashless exercise” procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.
- (3) In addition, in lieu of exercising any vested Option in the manner described in this Section 3.6(1) or Section 3.6(2), and pursuant to the terms of this Article 3, a Participant may chose to undertake a “net exercise” by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule “B” to the Option Agreement (a “**Surrender Notice**”), elect to receive that number of Shares equal to the quotient obtained by dividing (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Shares.
- (4) Upon the exercise of an Option pursuant to Section 3.6, the Corporation shall, as soon as practicable after such exercise but no later than 10 Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then, either (i) paid for and specified by the Participant in the Exercise Notice, or (ii) elected to receive upon the Surrender and as specified by the Participant in the Surrender Notice.

## **ARTICLE 4 - SHARE UNITS**

### **Section 4.1 Nature of Share Units.**

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of preestablished performance goals and objectives. Unless otherwise determined by the Board in its discretion, an Award of a Share Unit is considered a bonus for services rendered in the calendar year in which the Award is made. In the event that an Award is granted based on a dollar amount relative to Market Value, the Market Value shall not be less than the Discounted Market Price.

### **Section 4.2 Share Unit Awards.**

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs and/or PSUs under the Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such

RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

- (2) It is intended that the RSUs and PSUs not be treated as a “salary deferral arrangement” as defined in the Tax Act by reason of paragraph (k) thereof.
- (3) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.
- (4) Share Units shall be settled by the Participant at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the Restriction Period.
- (5) Each Non-Employee Director may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. The number of RSUs shall be calculated as the amount of the Non-Employee Director’s annual retainer fee elected to be paid by way of RSUs divided by the Market Value. At the discretion of the Board, fractional RSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.
- (6) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, no Investor Relations Service Provider shall receive any grant of Share Units in compliance with TSXV Policy 4.4.
- (7) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, no Eligible Charitable Organization shall receive any grant of Share Units in compliance with TSXV Policy 4.4.
- (8) Notwithstanding any other provision of this Plan, no Share Unit shall vest before the date that is one year following the applicable date of grant, provided that this limitation shall not apply in the case of the Participant’s death, or in connection with a Change of Control, takeover bid, reverse takeover transaction, or any similar transaction.

### **Section 4.3 Restriction Period Applicable to Share Units.**

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2022 shall end no later than December 31, 2025. Subject to the Board’s determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

#### **Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.**

- (1) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2022, the Performance Period will start on January 1, 2022 and will end on December 31, 2024.
- (2) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs.

#### **Section 4.5 Share Unit Vesting Determination Date.**

- (1) Subject to Section 4.2(8), the vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU and/or PSU have been met (the “**Share Unit Vesting Determination Date**”), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.
- (2) No Dividend Share Units, RSU or PSU issued pursuant to this Plan, may vest before the date that is one year following the date it is granted or issued. However, the vesting required by Section 4.5(1) may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

#### **Section 4.6 Settlement of Share Unit Awards.**

- (1) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:
  - (a) all of the vested Share Units covered by a particular grant may, subject to Section 4.6, be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the Restriction Period (the “**Share Unit Settlement Date**”); and
  - (b) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.

- (2) Subject to Section 4.6, settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:
  - (a) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or
  - (c) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.7(2).
- (4) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period formally imposed by the Corporation and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the 10<sup>th</sup> Business Day following the date that such Black-Out Period is terminated; provided that, in the event that the Participant or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities, such extension will not be permitted.

#### **Section 4.7 Determination of Amounts.**

- (1) **Cash Equivalent of Share Units.** For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan in respect of such Share Units settled for Shares shall be satisfied in full by such issuance of Shares.

#### **Section 4.8 Share Unit Award Agreements**

Any Award of Share Units shall be evidenced by an Award Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The Award Agreement may contain any such terms that the Corporation considers necessary in order to ensure that the Share Unit will comply with any provisions respecting restricted share units in the Tax Act or any

other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## ARTICLE 5 - GENERAL CONDITIONS

### Section 5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (3) **Conformity to Plan** – In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (4) **Non-Transferability** – Except as set forth herein, Awards are not transferable or assignable. Awards may be exercised only upon the Participant's death, by the legal representative of the Participant's estate, provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award and provided further that such legal representative shall only be entitled to exercise such Awards for a period of one year following the Participants death. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.
- (5) **Hold Period** – In addition to any hold period required under applicable securities laws, the granting of an Award (i) to Insiders, or (ii) where the Exercise Price is at a discount to the Market Price (as such term is defined in TSXV Policy 1.1, as amended, supplemented or replaced from time to time), shall be subject to a four-month hold period in compliance with the applicable policies of the TSXV.

### Section 5.2 Dividend Share Units.

- (1) When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall

be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs. For greater certainty, any Dividend Share Units shall be counted towards the total number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan in accordance with Section 2.5, Section 2.6 and Section 2.7.

- (2) In the event that the Corporation does not have sufficient room under the Plan to satisfy its obligation to issue Dividend Share Units to Participants, the Corporation shall, in lieu of issuing such Participants the Dividend Share Units to which they would have otherwise been entitled, pay such Participants, for each Share Unit held, the amount of the dividend in cash, on the same basis had such Participant settled such Share Units for Shares immediately prior to the declaration of the dividend and become a shareholder of the Corporation.
- (3) No declaration of a dividends shall be construed as conferring upon the Participant any right or interest whatsoever as a shareholder of the Company until the Shares are issued.

### **Section 5.3 Termination of Employment.**

- (1) Subject to a written Employment Agreement of a Participant and as otherwise determined by the Board, each Share Unit and Option shall be subject to the following conditions:
  - (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for “cause”, all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. “Cause” shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation’s Code of Ethics and any reason determined by the Corporation to be cause for termination.
  - (b) **Retirement.** In the case of a Participant’s retirement, any unvested Share Units and/or Options held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at or following the Termination Date may be exercised until the earlier of the expiry date of such Share Units and Options or one (1) year following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Share Units and/or Options held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any “in-the-money” amounts realized upon exercise of Share Units and/or Options following the Termination Date.
  - (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant’s resignation, subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of 90 days

after the effective date of such resignation, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such resignation.

- (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for “cause”, retirement, resignation, death or in connection with a Change of Control (as set out in Section 5.3(1)(f)) the number of Share Units and/or Options that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of 90 days after the effective date of the Termination Date, or the expiry date of such Share Units and Options. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Share Units and/or Options.
  - (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire 180 days after the death of such Participant.
  - (f) **Change of Control.** If a participant is terminated without “cause” or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of 30 days of such date or the expiry date of such Options.
- (2) For the purposes of this Plan, a Participant’s employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant’s actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant’s last day of actual and active employment will be considered as extending the Participant’s period of employment for the purposes of determining his entitlement under this Plan.
  - (3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given.
  - (4) Notwithstanding anything to the contrary in this Plan, all Awards to directors, officers, employees, Consultants or Management Company Employees must expire within a reasonable period, not exceeding 12 months following the date that such Participant ceases to be an Eligible Participant under this Plan, as the case may be.

#### **Section 5.4 Unfunded Plan.**

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

### **ARTICLE 6 - ADJUSTMENTS AND AMENDMENTS**

#### **Section 6.1 Adjustment to Shares Subject to Outstanding Awards.**

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such

consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.

- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.
- (5) At all times when the Corporation is listed on the TSXV, all adjustments contemplated pursuant to this Section 6.1, (other than adjustments in the event of any consolidation of Shares into a lesser number of Shares, or a stock split into a greater number of Shares), are subject to the approval of the TSXV.

## **Section 6.2 Amendment or Discontinuance of the Plan.**

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
  - (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
  - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
  - (c) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:
    - (i) amendments which are of a typographical, grammatical, clerical nature only; and
    - (ii) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.
- (2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:
  - (a) any amendment to the category of persons eligible to participate under this Plan;

- (b) any change to the maximum number or percentage, as the case may be, of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;
- (c) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;
- (d) any amendment that would permit the introduction or reintroduction of Non-Employee Directors as Eligible Participants on a discretionary basis or any amendment that increases the limits previously imposed on Non-Employee Director participation;
- (e) any amendment to remove or to exceed the limits set out in Section 2.5, Section 2.6 or Section 2.7 with respect to the amount of Options and/or Share Units that may be granted or issued to any one person or category of Eligible Participant under this Plan;
- (f) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (g) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
- (h) any amendment to the amendment provisions of the Plan;
- (i) any amendment which extends the term of any Option held by an Insider of the Corporation at the time of such proposed amendment;
- (j) any amendment to the method for determining the Exercise Price of any Options;
- (k) any amendment to the maximum term of any Award;
- (l) any amendment to the expiry and termination provisions applicable to any Awards;
- (m) any amendment to the method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to a Participant; and
- (n) any amendment that results in a benefit to an Insider of the Corporation.

At all times when the Corporation is listed on the TSXV, the shareholder approval referred to in Section 6.2(2)(c) (if any such Award is held by an Insider of the Corporation at the time of the proposed amendment), Section 6.2(2)(e) (in the case of the limits applicable to any one Eligible Participant and Insiders of the Corporation), Section 6.2(2)(i) and Section 6.2(2)(k) above must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV.

- (3) The Board may, subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Board.

- (4) Notwithstanding any other provision of this Plan:
- (a) the Corporation is listed on the TSXV, the Corporation shall be required to obtain prior TSXV acceptance of any amendment to this Plan; and
  - (b) the Corporation shall be required to obtain disinterested shareholder approval in compliance with the applicable policies of the TSXV for this Plan if, together with all of the Corporation's previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued Shares; (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Shares, calculated at the date an Award is granted to any Insider; and (3) the reduction in the Exercise Price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Corporation at the time of the proposed amendment.

### **Section 6.3 Change of Control.**

- (1) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar options or share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of the Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of the Plan. The number of PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Criteria prior to the Change of Control.
- (2) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

### **Section 6.4 Assumptions of Awards in Acquisitions**

- (1) Subject to acceptance of the TSXV, in the event of a Qualifying Transaction, Reverse Takeover or Change of Business (as such terms are defined in TSXV Policy 1.1) or

acquisition of a target company, the Corporation may cancel the security based compensation of such target company and replace it with Awards under this Plan or any other Share Compensation Arrangement of the Corporation, without shareholder approval, provided that:

- (a) the number of replacement Awards or other securities issuable pursuant to this Plan or other Share Compensation Arrangement (and the applicable exercise or subscription price) are adjusted in accordance with the share exchange ratio applicable to the transaction, regardless of whether the adjusted exercise price is below the then current Market Value; and
- (b) the terms of the replacement Awards are in compliance with this Plan and are subject to the limitations set forth in Section 2.5, Section 2.6 and Section 2.7.

## **ARTICLE 7 - MISCELLANEOUS**

### **Section 7.1 Currency.**

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

### **Section 7.2 Compliance and Award Restrictions.**

- (1) The Corporation's obligation to issue and deliver Shares under any Award is subject to:
  - (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rules and requirements, including all tax withholding and remittance obligations.
- (3) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.
- (4) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.

- (5) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and, if applicable, any funds paid to the Corporation in connection with the exercise of any Options will be returned to the applicable Participant as soon as practicable.

### **Section 7.3 United States Securities Law Matters.**

No Awards shall be made in the United States and no Shares shall be issued upon exercise of, or pursuant to, any such Awards in the United States unless such securities are registered under the U.S. Securities Act or any applicable U.S. state securities laws, or an exemption from such registration is available. Any Awards issued in the United States, and any Shares issued upon exercise thereof or pursuant thereto, will be “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing such securities shall bear a legend restricting transfer under applicable United States federal and state securities laws in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY [AND THE SECURITIES ISSUABLE UPON EXERCISE/CONVERSION HEREOF OR PURSUANT HERETO] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF TRANSFERS UNDER EITHER CLAUSE (C) OR (D), THE HOLDER HAS FURNISHED TO THE CORPORATION AND ITS TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE CORPORATION TO THE EFFECT THAT SUCH EXEMPTION(S) ARE AVAILABLE. THESE SECURITIES MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES.”

The Board may require that a Participant provide certain representations, warranties and certifications to the Corporation to satisfy the requirements of applicable securities laws, including without limitation, the registration requirements of the U.S. Securities Act and applicable state securities laws or exemptions or exclusions therefrom.

### **Section 7.4 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion.

The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **Section 7.5 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.4 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 7.5(1) or under any other provision of the Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.
- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (4) Notwithstanding the first paragraph of this Section 7.5, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

#### **Section 7.6 Reorganization of the Corporation.**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

**Section 7.7     Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**Section 7.8     Severability.**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

**Section 7.9     Effective Date of the Plan.**

The Plan was approved by the Board and shall take effect as of June 24, 2022.

**ADDENDUM FOR U.S. PARTICIPANTS  
STERLING METALS CORP.  
OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

**1. Definitions**

“**cause**” has the meaning attributed under Section 5.3(1)(a) of the Plan, provided however that the Participant has provided the Corporation (or applicable Subsidiary) with written notice of the acts or omissions constituting grounds for “cause” within 90 days of such act or omission and the Corporation (or applicable Subsidiary) shall have failed to rectify, as determined by the Board acting reasonably, any such acts or omissions within 30 days of the Corporation’s (or applicable Subsidiary’s) receipt of such notice.

“**retirement**” means, with respect to a U.S. Participant, a Separation from Service, other than due to death or by action of the Corporation for cause (including if the Corporation determines after the date of the Separation from Service that it could have terminated the U.S. Participant for cause), after the U.S. Participant has attained either age 65 OR age 55 with at least 10 years of service with the Corporation.

“**Separation from Service**” means, with respect to a U.S. Participant, any event that constitutes a “separation from service” as defined under Code Section 409A.

“**Specified Employee**” means a “specified employee” as defined under Code Section 409A.

**2. Expiry Date of Options**

Notwithstanding anything to the contrary in Section 3.4 of the Plan or otherwise, in no event, including as a result of any Black- Out Period or any termination of employment, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if such Option has an Exercise Price that is less than the Market Value on the date of the proposed extension.

**3. Non-Employee Directors**

A Non-Employee Director who is also a U.S. Participant and wishes to have all or any part of his or her annual retainer fees paid in the form of RSUs shall irrevocably elect such payment form by December 31 of the year prior to the calendar year during which the annual retainer fees are to be earned. Any election made under this Section 3 shall be irrevocable during the calendar year to which it applies, and shall apply to annual retainers earned in future calendar years unless and until the U.S. Participant makes a later election in accordance with the terms of this Section 3 of the Addendum. With respect to the calendar year in which a U.S. Participant becomes a Non-Employee Director, so long as such individual has never previously been eligible to participate in any deferred compensation plan sponsored by the Corporation, such individual may make the election described in this Section 3 of the Addendum within the first 30 days of becoming eligible to participate in the Plan, but solely with respect to the portion of the annual retainer not earned

before the date such election is made, all in accordance with Code Section 409A. Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, any RSUs issued to a U.S. Participant that is a Non-Employee Director in lieu of retainer fees shall be settled on earlier of (i) the U.S. Participant's Separation from Service, or (ii) a Change of Control provided that such change of control event constitutes a "change in control" within the meaning of Section 409A.

#### **4. Settlement of Share Unit Awards.**

- (a) Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein (including Section 3 of this Addendum as applicable to Non-Employee Directors), and unless otherwise provided in the applicable Award Agreement), all of the vested Share Units subject to any RSU or PSU shall be settled as soon as administratively practicable after the applicable Share Unit Vesting Determination Date and in no event later than March 15 of the calendar following the calendar year in which (i) the relevant vesting date occurs for an RSU or (ii) the relevant Performance Period ends for a PSU.
- (b) Notwithstanding the foregoing but subject to the provisions of the applicable Award Agreement, for a U.S. Participant who is eligible for retirement at any time during the vesting period of an award of Share Units, payments shall be made following Separation from Service in accordance with Section 5.3(1)(b) of the Plan based on the original vesting schedule and subject to compliance with applicable restrictive covenants, but in no event will payment be made later than the later of (i) the end of the calendar year in which the applicable vest date occurs, or (ii) the 15th day of the third calendar month following the calendar month in which the vesting date occurs.
- (c) The Board may permit or require the deferral of any payment of vested Share Units for a U.S. Participant into a deferred compensation arrangement, subject to such rules and procedures as it may establish and in accordance with Code Section 409A, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred Share Units.
- (d) For the avoidance of doubt, Section 4.6(4) of the Plan shall not apply to any Award issued to a U.S. Participant.

#### **5. Dividend Share Units**

For purposes of clarity, any Dividend Share Units issued to any U.S. Participant shall be settled at the same time as the underlying RSUs or PSUs for which they were awarded.

#### **6. Treatment of Options Upon Death**

For the avoidance of doubt, in the event that a U.S. Participant dies, his or her vested Options shall expire on the earlier of the original expiry date or 180 days after the death of such Participant.

## **7. Specified Employee**

Notwithstanding anything to the contrary in the Plan or any Award Agreement, to the extent required to avoid accelerated taxation and additional taxes and penalties under Code Section 409A amounts that would otherwise be payable pursuant to the Plan to a U.S. Participant who is a Specified Employee due to the Specified Employee's Separation from Service shall instead be paid on the first payroll date after the six-month period following the Separation from Service (or the Specified Employee's death, if earlier).

## **8. Adjustments.**

Notwithstanding anything to the contrary in Article 6 of the Plan, any adjustment to an Option held by any U.S. Participant shall be made in compliance with the Code which for the avoidance of doubt may include an adjustment to the number of Shares subject thereto, in addition to an adjustment to the Exercise Price thereof.

## **9. General**

Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest and penalties under Code Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Code Section 409A), and neither the Corporation nor any Subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

## SCHEDULE "A"

### FORM OF OPTION AGREEMENT

[Please note that the following restrictive legend should be included on RSUs and any underlying Shares issued in the United States when the underlying securities are not registered under the United States Securities Act of 1933, as amended:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF TRANSFERS UNDER EITHER CLAUSE (C) OR (D), THE HOLDER HAS FURNISHED TO THE CORPORATION AND ITS TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE CORPORATION TO THE EFFECT THAT SUCH EXEMPTION(S) ARE AVAILABLE. THESE SECURITIES MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES.]

### STERLING METALS CORP.

#### OPTION AGREEMENT

This Stock Option Agreement (the "**Option Agreement**") is granted by Sterling Metals Corp. (the "**Corporation**"), in favour of the optionee named below (the "**Optionee**") pursuant to and on the terms and subject to the conditions of the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee.** The Optionee is [●] and the address of the Optionee is currently [●].
2. **Number of Shares.** The Optionee may purchase up to [●] Shares of the Corporation (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in Section 6 of this Option Agreement.
3. **Exercise Price.** The exercise price is Cdn \$ [●] per Option Share (the "**Exercise Price**").
4. **Date Option Granted.** The Option was granted on [●].
5. **Expiry Date.** The Option terminates on [●]. (the "**Expiry Date**").
6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:  
[●]
7. **Exercise of Options.** In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule "A", whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.

8. **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Plan.
9. **Inconsistency.** This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
10. **Severability.** Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
11. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
12. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
15. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**IN WITNESS WHEREOF** the parties hereof have executed this Option Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**STERLING METALS CORP.**

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Insert Participant's Name]

**SCHEDULE "A"**  
**ELECTION TO EXERCISE STOCK OPTIONS**

**TO: STERLING METALS CORP. (the "Corporation")**

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated \_\_\_\_\_, 20\_\_\_\_ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired: \_\_\_\_\_

Exercise Price (per Share): Cdn.\$ \_\_\_\_\_

Aggregate Purchase Price: Cdn.\$ \_\_\_\_\_

Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount):  
Cdn.\$ \_\_\_\_\_

Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of \_\_\_\_\_.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
*Signature of Participant*

\_\_\_\_\_  
*Name of Participant (Please Print)*

**SCHEDULE "B"**  
**SURRENDER NOTICE**

**TO: STERLING METALS CORP.** (the "Corporation")

The undersigned Optionee hereby elects to surrender \_\_\_\_\_ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated \_\_\_\_\_, 20\_\_ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**") in exchange for Shares as calculated in accordance with Section 3.6(3) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of \_\_\_\_\_.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to surrender my Options is irrevocable.

The Optionee represents, warrants and certifies as follows (only one of the following must be checked):

A.  Outside the United States. The undersigned holder (a) at the time of exercise of the Options is not in the United States of America, its territories or possessions, any state of the United States or the District of Columbia (collectively, the "United States"), (b) is not exercising such Options on behalf of a person in the United States, and (c) did not execute or deliver this Stock Option Exercise Form in the United States; or

B.  Inside the United States. The undersigned (a) at the time of exercise of these Options is in the "United States," (b) is exercising such Options on behalf of a person in the United States, or (c) did execute or deliver this Stock Option Exercise Form in the United States.

The Optionee understands that unless Box A above is checked and the Shares are registered under applicable United States federal and state securities laws, any certificate representing the Shares may bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
*Signature of Participant*

\_\_\_\_\_  
*Name of Participant (Please Print)*

## SCHEDULE "B"

### FORM OF RSU AGREEMENT

[Please note that the following restrictive legend should be included on RSUs and any underlying Shares issued in the United States when the underlying securities are not registered under the United States Securities Act of 1933, as amended:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF TRANSFERS UNDER EITHER CLAUSE (C) OR (D), THE HOLDER HAS FURNISHED TO THE CORPORATION AND ITS TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE CORPORATION TO THE EFFECT THAT SUCH EXEMPTION(S) ARE AVAILABLE. THESE SECURITIES MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES.]

### STERLING METALS CORP.

### RESTRICTED SHARE UNIT AGREEMENT

This restricted share unit agreement ("**RSU Agreement**") is granted by Sterling Metals Corp. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the restricted share units ("**RSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
2. **Grant of RSUs.** The Recipient is hereby granted [●] RSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
4. **Performance Criteria.** [●].
5. **Performance Period.** [●].
6. **Vesting.** The RSUs will vest as follows:  
[●].
7. **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.

8. **Inconsistency.** This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This RSU Agreement and the Plan embody the entire agreement.
11. **Successors and Assigns.** This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
14. **Counterparts.** This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Recipient acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**STERLING METALS CORP.**

By: \_\_\_\_\_  
 Name:  
 Title:

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
**[Insert Participant's Name]**

## SCHEDULE "C"

### FORM OF PSU AGREEMENT

[Please note that the following restrictive legend should be included on PSUs and any underlying Shares issued in the United States when the underlying securities are not registered under the United States Securities Act of 1933, as amended:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF TRANSFERS UNDER EITHER CLAUSE (C) OR (D), THE HOLDER HAS FURNISHED TO THE CORPORATION AND ITS TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE CORPORATION TO THE EFFECT THAT SUCH EXEMPTION(S) ARE AVAILABLE. THESE SECURITIES MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES.]

### STERLING METALS CORP.

### PERFORMANCE SHARE UNIT AGREEMENT

This performance share unit agreement ("**PSU Agreement**") is granted by Sterling Metals Corp. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the performance share units ("**PSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
2. **Grant of PSUs.** The Recipient is hereby granted [●] PSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
4. **Performance Criteria.** [●].
5. **Performance Period.** [●].
6. **Vesting.** The PSUs will vest as follows:  
[●].
7. **Transfer of PSUs.** The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.

8. **Inconsistency.** This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This PSU Agreement and the Plan embody the entire agreement.
11. **Successors and Assigns.** This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
14. **Counterparts.** This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Recipient acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**STERLING METALS CORP.**

By: \_\_\_\_\_  
 Name:  
 Title:

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
**[Insert Participant's Name]**

**SCHEDULE "D"**

**FORM OF U.S. PARTICIPANT/NON-EMPLOYEE DIRECTOR ELECTION FORM**

**STERLING METALS CORP.**

I \_\_\_\_\_ **[name]** wish to defer 100% of my annual retainer (including any annual retainers or fees for service on committees of the Board) for the calendar year [\_\_\_\_] and any future calendar years unless and until I make a new election in accordance with the Plan and the Addendum. I, do hereby elect to have a Share Unit Settlement Date of [\_\_\_\_] anniversary of the grant date of such RSUs, or if earlier upon my Separation from Service in respect of all of such RSUs (including any accumulated Dividend Share Units), and otherwise in accordance with the Plan and the special provisions of the Addendum to the Plan applicable to U.S. Participants.

I understand that this election shall be irrevocable as of the last date in which I am permitted to make such election in accordance with Section 3 of the Addendum to the Plan and I shall only be permitted to revoke or modify this election up to such date. I understand that this election shall apply to any other grants of RSUs that I may be granted in the future (if any) in respect of any retainer fees payable in future calendar years (and will become irrevocable as of December 31 of the prior calendar year) until I make a later election, which election shall be made no later than the date set forth in Section 3 of the Addendum to the Plan.

All capitalized terms not defined in this Election Form have the meaning set out in the Plan.

I understand and agree that the granting and settlement of RSUs are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Election Form.

\_\_\_\_\_  
Non-Employee Director Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date